

OPEC oil output up in July on Saudi supply rebound



London: OPEC oil output rose in July, a Reuters survey found on Friday, as a rebound in Saudi Arabian supply and small increases elsewhere offset the impact of ongoing voluntary supply cuts by other members. The OPEC pumped 26.7 million bpd last month, up 1,00,000 bpd from June, according to the survey based on shipping data. REUTERS

CAPITAL IDEAS.



RICHA MISHRA

A subject that has found consistent mention in Finance Minister Nirmala Sitharaman's successive Budget speeches is: energy security and energy transition. In her latest Budget speech too, while listing out the nine priorities for generating ample opportunities for all, energy has prominently featured in the journey towards 'Viksit Bharat'.

"In the Interim Budget, I had announced our strategy to sustain high and more resource-efficient economic growth, along with energy security in terms of availability, accessibility and affordability. We will bring out a policy document on appropriate energy transition pathways that balances the imperatives of employment, growth and environmental sustainability," she said in her speech.

This is not the first time that a policy document for energy transition pathway has been spoken about. So, how is it different now?

According to decision-makers, this will work as an umbrella policy, as currently segment-specific reports or policy statements have come out. For example, the one for the Petroleum and Natural Gas Ministry talks about companies in fossil fuel business and their green transition.

"Now that it has been spoken about in the Budget speech, the nuances and the terms of reference will be worked out for the Committee that will work on the policy," a senior official said.

THRUST ON NUCLEAR ENERGY

Sitharaman, in her speech, also spoke about PM Surya Ghar Muft Bijli Yojana, a policy for promoting pumped storage projects, and small and modular nuclear reactors as nuclear energy is expected to form a significant part of the energy mix for Viksit Bharat. Her speech also mentioned advanced ultra super critical thermal power plants.

Prime Minister Narendra Modi also, when addressing India Inc at a recent CII event on the Budget, referred to the work being done on small nuclear reactors. He said it will not only benefit industry in the form of energy access but also the entire supply chain related to the sector, which will get new business opportunities.

According to Gauri Jauhar, Executive Director, Energy Transition and Cleantech Consulting, S&P Global Commodity Insights: "It is important for any energy transition pathway to balance the ambition and vision for a new energy system based on lower emissions, with the realities of an existing energy system which, well into this decade and next, will be largely

For a smooth clean energy shift

Infra and tech support, financial aid, a clear and stable policy, and a robust supply chain are vital



contingent on fossil fuel sources."

Also, any energy transition pathway "should take into account a full life-cycle analysis in order to understand the extent of embedded carbon that comes with the new energy system that is under construction," she added.

When working on policy, what should India look out for? According to Umud Shokri, energy strategist and senior visiting fellow at George Mason University, "Several critical issues need to be addressed to ensure a balanced approach that promotes employment, growth and environmental sustainability. Key areas for consideration include infrastructure development, technology and innovation, economic considerations, policy and regulatory frameworks, environmental sustainability, and securing supply chains."

For infrastructure development, there is a pressing need for robust refuelling and charging infrastructure to support hydrogen and other renewable energy sources, he said, adding, "This includes establishing hydrogen refuelling stations and expanding electric vehicle (EV) charging networks. Enhancing the electricity grid to

accommodate a higher share of renewable energy is essential, and investments in smart grid technologies and energy storage solutions, such as pumped hydro and battery storage, will help manage the intermittent nature of renewable sources."

All these are a part of the segment which the policy should ideally touch upon. The policy should also speak in terms of technology and innovation, continued investment in R&D for hydrogen technologies, energy storage, and renewable energy generation.

"Developing domestic capabilities to produce critical minerals needed for battery production and hydrogen fuel cells will reduce reliance on imports. Encouraging collaboration between the government and private sector through public-private partnerships can accelerate the development of innovative technologies and solutions for energy transition, including engaging private players in nuclear energy projects and advanced renewable technologies," Shokri said.

Besides, he added that the policy should touch upon economic issues, including addressing the high costs associated with hydrogen fuel cell vehicles and renewable technologies.

Financial incentives, subsidies, and tax breaks can help make these technologies more accessible and attractive to businesses and consumers, he said, adding that "transitioning traditional industries to cleaner energy sources requires financial support and incentives, with programmes aimed at decarbonising micro, small, and medium

enterprises (MSMEs) facilitating this transition while ensuring job security."

Establishing a clear and stable policy environment is essential for attracting investment in the energy sector. Revisiting customs duties and tax structures related to renewable energy components can help stimulate domestic manufacturing and reduce costs, he said.

PRESERVE BIODIVERSITY

It is crucial to ensure that energy transition efforts do not compromise environmental sustainability. Policies should promote not just the adoption of renewable energy but also the preservation of ecosystems and biodiversity. Securing supply chains involves securing access to essential minerals like lithium, nickel, and cobalt, which are critical for battery production, he pointed out. Developing domestic sources and establishing international partnerships will be key to ensuring a stable supply chain as well as promoting recycling of materials used in renewable technologies. These can help mitigate supply chain risks and reduce environmental impact, Shokri added.

Therefore, the entire energy transition process requires a multifaceted approach that addresses infrastructure, technology, economic factors, policy frameworks, environmental sustainability, and supply chain security. And only then can India effectively balance the imperatives of employment, growth, and environmental sustainability in its pursuit of energy security.

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INDIA STILL HEAVILY DEPENDENT ON RUSSIA FOR CRUDE, but Moscow reduced exports in July

Russian Crude Imports Dip 6.5% on Pvt Refiners' Lower Intake

Sanjeev Choudhary

New Delhi: Crude oil imports from Russia saw a decline of 6.5% month-on-month in July, reducing their share in India's imports of the commodity to 40%, according to energy cargo tracker Vortexa.

The drop was driven by a 25% month-on-month decline in imports by private sector refiners Reliance Industries and Rosneft-backed Nayara Energy. A total of 1.81 million barrels per day (mbd) of Russian crude was imported in July, down from 1.93 mbd in the previous month—which accounted for 42% of the total crude oil imported by India.

Serena Huang, analyst at Vortexa, said, "India's (July) imports of Russian crude have remained considerably robust amidst healthy import appetite

from refiners."

She added that inbound shipments could fall further in August. "Russian crude exports fell to 2.93 mbd in July, down 15% month-on-month, as the country ramps up domestic refinery runs to meet its summer demand."

Lower exports from Russia in July could spell lower Indian imports in August as it takes about a month for a tanker loaded at a Russian port to reach here. Imports of Russian-refined products fell 7% month-on-month in July to 150,000 barrels per day (bpd). Huang noted that India's imports of Russian products have fallen in July compared to June, as more supplies have headed towards Turkey, the Middle East and Malaysia.

Last month, China impor-

ted 276,000 bpd and Europe 515,000 bpd of refined products from Russia—almost as much as in June. Seaborne Russian crude imports by China fell

8% to 1.09 mbd, while that by Europe increased 20% to 0.47 mbd during the month.

Meanwhile, India's crude imports from Saudi Arabia in July increased about a third over the previous month to 606,000 bpd.

Saudi Arabia's share in overall crude shipments entering India increased to

13.5% last month from 10% in June, while Iraq's share fell to 13.5% from 17.5%.

The UAE's share decreased to 7.6% from 8%, as did that of the United States to 5.5% from 7.2%, but Africa's share rose to 5.3% from 4.3%. India's overall crude imports fell 2% to 4.47 mbd in July.

Discounts available on Russian oil help make it the preferred diet of Indian refineries, which have drastically cut supplies from traditional Gulf suppliers over the past two years. Iraq, too, offers some discounts to compete with Russian supplies and maintain a significant share of the Indian market. Saudi Arabia's share in the Indian market has sharply fallen and varies month to month. US crude imports usually rise when the gap between the crude benchmark WTI and Brent widens.



Rai chairs meet to strategise pollution control measures

STAFF REPORTER ■ NEW DELHI

Delhi Environment Minister Gopal Rai on Friday said that the '2024 Winter Action Plan' will focus on pollution hotspots and identifying the causes of the city's air quality crisis to plan effective mitigation steps.

Rai chaired a high-level meeting, which included key officials from the Environment Department, Delhi Pollution Control Committee (DPCC) and Development Department, to strategise pollution control measures. During the meeting, Rai announced that on August 21, the Delhi government will host a 'Save Environment' round table conference at the Delhi Secretariat, where environmental experts will gather to develop a comprehensive winter action plan, according to a statement issued by the AAP government.

The conference aims to create a robust action plan by incorporating expert suggestions, the minister said during the meeting. "By identifying and



addressing various pollution sources, the Delhi government will be able to take necessary steps to mitigate pollution effectively," Rai said.

According to the statement, during the meeting, many crucial suggestions emerged, highlighting focal points, such as dust pollution, vehicular emissions, stubble burning and the burning of garbage.

Industrial pollution will also be addressed by ensuring all registered industrial units in Delhi switch to PNG, Rai said. "We have established the Green War Room and Green Delhi

App, which will be upgraded to enhance public communication and timely action on complaints," he said. Regarding pollution hotspots, the AAP leader said, "The focus will be on the areas of Delhi where people suffer the most from pollution and a Real-Time Apportionment Study will be conducted to identify the causes of real-time pollution."

The minister also mentioned the eco park, which will operate based on a zero-waste policy. India's first e-waste eco park is being built in Holambi Kalan village in Delhi.